

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 90-342-E
NATURAL GAS COMPANY, INC.)	

O R D E R

On May 23, 1991, the Commission issued its Order in Case No. 90-342 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On June 24, 1992, Delta Natural Gas Company, Inc. ("Delta") filed its quarterly GCA, which is to become effective August 1, 1992 and is to remain in effect until November 1, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice of June 24, 1992 set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers in the amount of 33.73 cents per Mcf, excluding take-or-pay billings. Delta's expected gas cost for the quarter beginning August 1, 1992 is \$3.0272 per Mcf.

Delta's notice set out a take-or-pay recovery component of 2.29 cents per Mcf, which decreased 2.05 cents per Mcf from its last GCA filing. Delta should be prepared to support the amount of its take-or-pay actual adjustments at the time of its GCA field reviews.

2. Delta's notice set out a total refund adjustment of .51 cents per Mcf. This adjustment is composed of past refund adjustments that are still in effect. The amount of this adjustment results in no change in Delta's retail rates.

3. Delta's notice set out a current quarter actual adjustment in the amount of (18.83) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of February, March, and April 1992. The total actual adjustment of (35.33) cents per Mcf, which is designed to correct the current over-collection as well as under- and over-collections from three previous quarters, results in a 23.62 cent per Mcf increase in Delta's retail rates.

4. Delta's notice set out a balance adjustment of (33.18) cents per Mcf, to replace the previous adjustment of 7.86 cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous gas cost, actual, refund, and balance adjustments. The effect on retail rates is a 41.04 cent per Mcf decrease.

5. The combined effect of the above adjustments is Delta's gas cost recovery rate ("GCR") in the amount of \$2.3599 per Mcf, which is an increase of 14.26 cents per Mcf from its last approved GCR.

6. Delta's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-342 dated May 23, 1991, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after August 1, 1992.

7. In its filing dated June 24, 1992, Delta requested confidentiality for Schedule VI, which contains business information required by the Commission pertaining to Delta's subsidiaries. Delta Resources, Inc. and Delgasco engage in activities that are unregulated and highly competitive. Competitors of these subsidiaries could use business information of these subsidiaries to place themselves in an advantageous position vis-a-vis the subsidiaries and Delta. Thus, disclosure of the information is likely to cause Delta and these subsidiaries competitive injury and should be protected.

IT IS THEREFORE ORDERED that:

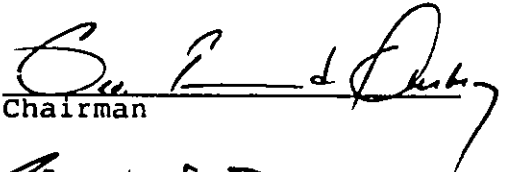
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after August 1, 1992.

2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

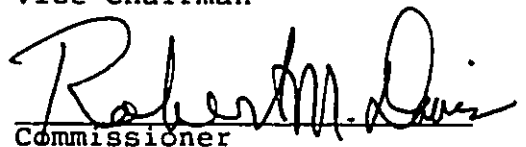
3. Schedule VI, which Delta has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 31st day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-342-E DATED July 31, 1992

The following rates and charges are prescribed for the customers served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u> equals
	plus		
General Service			
Monthly Customer Charge			
Residential			\$5.95
Nonresidential			18.36
1 - 1,000 Mcf	\$2.4650	\$2.3599	4.8249 per Mcf
1,001 - 5,000 Mcf	2.0650	2.3599	4.4249 per Mcf
5,001 - 10,000 Mcf	1.6650	2.3599	4.0249 per Mcf
Over 10,000 Mcf	1.2650	2.3599	3.6249 per Mcf
Interruptible (2)			
Monthly Customer Charge			\$185.00
1 - 1,000 Mcf	\$1.7000	\$2.3599	4.0599 per Mcf
1,001 - 5,000 Mcf	1.3000	2.3599	3.6599 per Mcf
5,001 - 10,000 Mcf	.9000	2.3599	3.2599 per Mcf
Over 10,000 Mcf	.5000	2.3599	2.8599 per Mcf
Transportation of Gas for Others			
On-System Utilization			

To the applicable rates and charges in effect for on-system transportation customers shall be added a take-or-pay recovery component of \$.0229 per Mcf.